

Hawsons Institutional Placement and SPP to raise \$8.8 million

Key points

- Hawsons has received firm commitments to raise A\$7.8 million before costs through an Institutional Placement of 100,842,199 ordinary new fully paid shares at A\$0.077 each
- The issue price of A\$0.077 represents a 17.20 per cent discount to the closing price of Hawsons shares of A\$0.0930 on 31 January, 2023
- Placement proceeds will be used to fund associated costs, working capital and the following Strategic Review recommendations to support a modified Bankable Feasibility Study (BFS):
 - A value-engineering analysis to further reduce processing plant and project costs
 - The first two stages of a three-stage resource analysis program targeting high-grade ore at shallow depths from 30-to-150 metres to accelerate project cash flow
- Eligible Shareholders will be able to participate in a Share Purchase Plan (SPP) at the same price as the Institutional Placement to raise an additional A\$1 million for working capital
- Hawsons has also received firm commitments from institutional investors for any SPP shortfall up to A\$1 million, which will be placed to those investors after the SPP closing date (SPP Shortfall Placement)
- The SPP Record Date for Eligible Shareholders is 7:00pm (Sydney time) on 31 January, 2023

Hawsons Iron Ltd (**Hawsons** or the **Company**) is undertaking a A\$7.8 million institutional placement (the **Institutional Placement**) pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A, through the issue of 100,842,199 New Shares (the **New Shares**).

These New Shares will represent approximately 12.5 per cent of the total shares of the Company prior to the issue of New Shares and take the total number of shares on issue to 913,569,046.

The Institutional Placement offer price is A\$0.077 per fully paid ordinary Hawsons share (the **Offer Price**), representing a 17.20 per cent discount to the last traded price of Hawsons shares on 31 January 2023 of A\$0.0930 per share, and a 19.3 per cent discount to the 5-day volume-weighted average price (VWAP) per share up to the close of trade on 31 January 2023.

Shaw and Partners Limited is acting as the lead manager to this Institutional Placement and the SPP Shortfall Placement (the **Lead Manager**). New Shares issued under the Institutional Placement, the SPP and the SPP Shortfall Placement will rank equally with existing shares from the date of issue.

Sources and Uses of Funds

Sources	A\$m
Institutional Placement and Share Purchase Plan	8.8
Total Sources	8.8

Uses	A\$m
A. A value-engineering analysis to further reduce processing plant and project costs to support a modified BFS for an 11 Mtpa project	0.5
B. The first two stages of a three-stage resource analysis program targeting high-grade ore at shallow depths from 30-to-150 metres to accelerate cash flow	2.0
C. Working capital	5.7
D. Costs of the Institutional Placement and the SPP	0.6
Total Uses	8.8

A\$1 Million Share Purchase Plan

A Share Purchase Plan (SPP) will follow the Institutional Placement with eligible Hawsons shareholders in Australia and New Zealand offered the opportunity to acquire additional fully-paid ordinary shares in Hawsons. New Shares under the SPP are to be issued at the Institutional Placement Offer Price of A\$0.077 per New Share.

Shareholders on the Hawsons register at 7:00pm (Sydney time) on 31 January, 2023 (the **Record Date**) with a registered address in Australia or New Zealand will be entitled to subscribe for up to A\$30,000 worth of Hawsons shares per shareholder, free of transaction and brokerage costs, through the SPP, subject to eligibility criteria and other terms and conditions of the SPP which will be set out in the SPP booklet and dispatched to eligible shareholders on or around 9 February 2023.

The SPP is capped at \$1 million. Hawsons has received firm commitments from institutional investors to subscribe for any shares not subscribed in the SPP.

Comment from Hawsons Chairman Mr Dave Woodall

Hawsons Chairman Mr Dave Woodall said the recently completed Strategic Review had delivered clear findings on production scale, transport and port options and an action plan to improve the project's mining and processing economics. *(See separate ASX Announcement dated 1 February 2023: Hawsons endorses 11 Mtpa BFS and Strategic Review action plan)*

"The Board has approved this Institutional Placement and SPP to fund additional value engineering analysis and a three-stage resource analysis program targeting higher grade ore from 30-to-150 metres to support a modified Bankable Feasibility Study (BFS) for an 11 Mtpa project," he said.

Mr Woodall said the SPP provided Eligible Shareholders with an opportunity to subscribe for additional shares on the same terms as the Institutional Placement to support the Company and mitigate dilution of their interests.



“Following the placement made in November 2022 we received feedback from a number of Shareholders who would have liked to have been offered an opportunity to participate in the capital raise, so this SPP aims to provide that opportunity to all of our Shareholders,” he said. (See ASX Announcement dated 28 November 2022: *Hawsons Institutional Placement*)

Timetable¹

Institutional Placement	Date
Trading halt lifted and Announcement of Institutional Placement	1 February 2023
Settlement of New Shares under the Institutional Placement	9 February 2023
Allotment of New Shares under the Institutional Placement	10 February 2023
Share Purchase Plan	Date
Record date for determining eligibility under the SPP	31 January 2023
Despatch of SPP Booklet and SPP opens	9 February 2023
SPP closes	27 February 2023
Allotment of new shares under the SPP	3 March 2023
Normal trading of new shares under the SPP	6 March 2023
Despatch of holding statements	7 March 2023

Released by authority of the Board

Hawsons Iron Limited
1 February 2023

For further information:

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¹ Note: All dates are indicative only. All dates and times are Sydney time, unless otherwise specified. HIO reserves the right to vary the date of the Institutional Placement and SPP, in general or in particular cases, including closing them early or terminating them altogether, without prior notice.



About Hawsons Iron Ltd

Hawsons Iron Ltd (ASX: HIO) is an iron ore developer and producer listed on the Australian Securities Exchange. The company is focused on developing its flagship Hawsons Iron Project near Broken Hill into a premium provider of high-quality iron ore products for the global steel industry.

The Hawsons Iron Project is situated 60km southwest of Broken Hill, New South Wales, Australia in the emerging Braemar Iron Province. Prefeasibility Study (PFS) results for the Project, which was completed in 2017, showed that it is capable of producing the world's highest-grade iron product (70% Fe), making it among the world's leading undeveloped high-quality iron ore concentrate and pellet feed projects. Leading research firm Wood Mackenzie in Q2 FY 2019 rated the project one of the world's best high-grade iron ore development projects, excluding replacement or expansion projects owned by the established miners.

For more information go to <https://hawsons.com.au>

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The Lead Manager and other Limited Parties may, from time to time, have interests in the new securities under the Institutional Placement or other securities of Hawsons, including providing corporate advisory or other financial advisory services to Hawsons and/or managing the offering of such new securities under the Institutional Placement. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Limited Party may act as a lender and/or counterparty to HIO or its affiliates and may or now in the future provide financial accommodation or services to HIO or its affiliates.



Determination of eligibility of investors for the purposes of the Institutional Placement is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Hawsons and/or the Lead Manager. To the maximum extent permitted by law, Hawsons, the Lead Manager and the Limited Parties each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligence misstatement) in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Institutional Placement without the Lead Manager or the Limited Parties having independently verified that information and the Lead Manager and the Limited Parties do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the information or this announcement contains all material information about HIO or which a prospective investor may require in evaluating a possible investment in HIO).

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